

New Member - A

RECORDATION NO. 18822-A
MAY 31 1994 10 AM
FILED 1425
INTERSTATE COMMERCE COMMISSION

LEASE SUPPLEMENT AND ACCEPTANCE CERTIFICATE

This Lease Supplement and Acceptance Certificate is dated May 31, 1994, and is executed by NATIONSBANC LEASING CORPORATION OF NORTH CAROLINA, a North Carolina corporation ("Lessor") and NORTHERN STATES POWER COMPANY, a Minnesota corporation ("Lessee") pursuant to Section 4 of the Equipment Lease Agreement, dated as of May 31, 1994 between Lessee and Lessor (the "Agreement"). All capitalized terms used herein but not defined herein shall have the meanings given to such terms in the Agreement.

Lessee hereby acknowledges and agrees that the equipment specified on Annex A to this Lease Supplement and Acceptance Certificate (the "Equipment") has been delivered to Lessee on the date hereof at the delivery place described below, and that, as between Lessor and Lessee, the Equipment (a) has been inspected to the complete satisfaction of Lessee, (b) is in good operating order, repair and condition, (c) is of a size, design, capacity and manufacture selected by Lessee, (d) is suitable for Lessee's purposes, (e) has been unconditionally accepted by Lessee on the date hereof, for all purposes of the Agreement, and (f) is subject to all of the terms, conditions and provisions of the Agreement. Lessee further acknowledges, agrees and certifies that Lessor has made no warranty, express or implied, with respect to the Equipment and that the insurance policies, certificates or other documents evidencing the coverages required under the Agreement have been delivered to Lessor.

Lessee hereby leases from Lessor the Equipment upon and subject to all of the terms, conditions and provisions of the Agreement, and Lessor and Lessee further agree and state as follows:

1. Delivery Place for the Equipment: Mount Orab, Ohio.
2. The Acquisition Cost is \$12,453,860.00.
3. The basic term (the "Basic Term") for the Equipment commences on May 31, 1994, and ends on May 31, 1995, both dates inclusive, unless sooner terminated in accordance with the provisions of the Agreement.
4. At least ninety (90) days prior to the end of the Basic Term or any Renewal Term (excepting the nineteenth (19th) Renewal Term which is subject to the provisions of Section 29 of the Agreement) Lessee may elect to (a) renew the Agreement for all but not less than all the Equipment described in this Lease Supplement pursuant to the provisions of Section 5 of this Lease Supplement, (b) purchase such Equipment pursuant to the provisions of Section 6 of this Lease Supplement or (c) terminate the Agreement pursuant to the provisions of Section 7 of this Lease Supplement.
5. So long as such renewal shall not be prohibited by any applicable law or governmental regulation, Lessee may at its

option, at the expiration of the Basic Term, renew the lease of all but not less than all the Equipment described in this Lease Supplement for not more than nineteen (19) renewal terms, each of one (1) year(s) duration (each such term, a "Renewal Term"). Such option to renew shall be exercised by Lessee giving notice of renewal to Lessor, which notice shall be irrevocable, at least ninety (90) days (but not more than one hundred eighty (180) days) prior to the expiration of the Basic Term and each of the first eighteen (18) Renewal Terms, if any. If Lessee fails to give such a notice within the permitted time period, Lessee shall be deemed to have requested a Renewal Term extension. All of the provisions of the Agreement shall be applicable during each Renewal Term. Anything in the Agreement, this Lease Supplement or any related document or agreement to the contrary notwithstanding, unless Lessor otherwise consents in writing, the Agreement may not be renewed for any Renewal Term if a Default or an Event of Default shall have occurred and be continuing on the day preceding the first day of such Renewal Term.

6. To the extent no Default or Event of Default shall occur and be continuing, Lessee may purchase all but not less than all the Equipment described in this Lease Supplement on any annual anniversary date of the date hereof during the Term upon at least ninety (90) days (but not more than one hundred eighty (180) days) prior written notice to Lessor. Once given, such notice shall be irrevocable. Lessee may exercise such early purchase option to the extent the following conditions are met: (a) on the Basic Payment Date designated for such sale, Lessee pays Lessor the Termination Value for such date in good, immediately available funds; (b) on the Basic Payment Date designated for such sale, Lessee pays Lessor all Basic Payments and Supplemental Payments then due and owing or accrued; (c) Lessee shall pay all Sales Expenses associated with the sale of Equipment; and (d) Lessee shall retain such Equipment. Upon receipt of all funds then due and owing to Lessor hereunder, Lessor shall sell such Equipment to Lessee on an "as-is, where-is" basis and deliver a bill of sale and all the documentation reasonably necessary to transfer to Lessee all of Lessor's right, title and interest in and to such Equipment.

7. To the extent no Default or Event of Default shall have occurred and be continuing, and upon a reasonable determination by the board of directors of Lessee that all but not less than all the Equipment described in this Lease Supplement is obsolete or surplus for the purposes of Lessee, Lessee may terminate this Agreement on any annual anniversary date of the date hereof during the Term upon at least ninety (90) days (but not more than one hundred eighty (180) days) prior written notice to Lessor. Once given, such notice shall be irrevocable. Lessee may exercise such early termination option to the extent the following conditions are met: (a) Lessee arranges for the sale of all but not less than all the Equipment described in this Lease Supplement to a Third Party Purchaser which is financially capable of purchasing such Equipment; (b) on the Basic Payment Date designated for such sale, such Third Party Purchaser pays

Lessor the previously agreed purchase amount in good, immediately available funds; (c) in the event that such purchase amount is less than the Termination Value for such date, Lessee shall pay Lessor the difference between such purchase amount and the Termination Value for such date; (d) on the Basic Payment Date designated for such sale, Lessee shall pay all Basic Payments and Supplemental Payments then due and owing or accrued; (e) Lessee shall pay, or cause to be paid, all Sales Expenses associated with such sale of such Equipment; and (f) Lessee shall deliver such Equipment to such Third Party Purchaser in accordance with the provisions of Section 6 of the Agreement as if such Third Party Purchaser were the Lessor. Upon receipt of all funds then due and owing to Lessor hereunder, Lessor shall sell such Equipment to such Third Party Purchaser on an "as-is, where-is" basis and deliver a bill of sale and all other documentation reasonably necessary to transfer to such Third Party Purchaser all of Lessor's right, title and interest in and to such Equipment.

8. The Basic Payment Factor is 2.30988%.
9. The transaction rate (the "Transaction Rate") is 7.750%.
10. The Casualty Loss Value percentages for the Equipment during the Term are set forth on Annex B hereto.
11. The Maximum Lessee Risk Amount percentages and the Maximum Lessor Risk Amount percentages for the Equipment during the Term are set forth on Annex C hereto.
12. The Termination Value percentages for the Equipment during the Term are set forth on Annex D hereto.
13. This Lease Supplement and Acceptance Certificate may be executed in as many counterparts as shall be determined by the parties hereto when so executed, and each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Supplement and Acceptance Certificate to be executed by their duly authorized representatives as of the date first above written.

NATIONSBANC LEASING CORPORATION OF
NORTH CAROLINA

By: M. Randall Ross
Name: M. Randall Ross
Title: Vice President
Senior

ATTEST:

By: Juan Y. Brown
Name: Juan Y. Brown
Title: Secretary

(Corporate Seal)

NORTHERN STATES POWER COMPANY

By: Leon R. Eliason
Name: Leon R. Eliason
Title: President - NSP Generation

ATTEST:

By: Chandra G. Houston
Name: Chandra G. Houston
Title: Asst. Corporate Secretary

(Corporate Seal)

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Willie H. Robinson Jr., a Notary Public of the County and State aforesaid, certify that Joan Y. Brown personally came before me this day and acknowledged that she is Secretary of NationsBanc Leasing Corporation of North Carolina, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by Joan Y. Brown as its Secretary.

WITNESS my hand and official stamp or seal, this 23rd day of May, 1994.

Willie H. Robinson Jr.
Notary Public

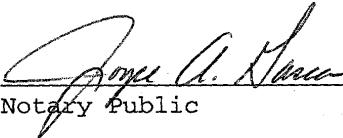
My Commission Expires:

2 16, 98
(Notary Public)

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

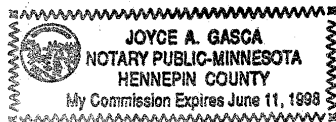
I, Joyce A. Gasca, a Notary Public of the County and State aforesaid, certify that Chandra G. Houston personally came before me this day and acknowledged that she is the Assistant Corporate Secretary of Northern States Power Company, a Minnesota corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President of NSP Generation, sealed with its corporate seal and attested by Chandra G. Houston as its Assistant Corporate Secretary.

WITNESS my hand and official stamp or seal, this 26th day of May, 1994.


Notary Public

My Commission Expires:

(Notary Public)



Annex A

Equipment Description

The Equipment shall include the various items referenced below:

4,250 cubic foot, five (5) pocket, serial number and body-steel underframe mechanized rapid discharge II coal cars, Trinity design number HK-40157 dated October 22, 1993, NSPX 94001 through 94230.

Annex B

Casualty Loss Value

<u>Casualty Loss</u> <u>Value Date</u>	<u>Casualty Loss</u> <u>Value *</u>
May 31, 1994	100.00000
August 31, 1994	99.62762
November 30, 1994	99.24803
February 28, 1995	98.86108
May 31, 1995	98.46664
August 31, 1995	98.06455
November 30, 1995	97.65468
February 29, 1996	97.23686
May 31, 1996	96.81095
August 31, 1996	96.37678
November 30, 1996	95.93421
February 28, 1997	95.48305
May 31, 1997	95.02316
August 31, 1997	94.55436
November 30, 1997	94.07647
February 28, 1998	93.58932
May 31, 1998	93.09274
August 31, 1998	92.58654
November 30, 1998	92.07052
February 28, 1999	91.54451
May 31, 1999	91.00831
August 31, 1999	90.46173
November 30, 1999	89.90454
February 29, 2000	89.33656
May 31, 2000	88.75758
August 31, 2000	88.16738
November 30, 2000	87.56574
February 28, 2001	86.95245
May 31, 2001	86.32728
August 31, 2001	85.68999
November 30, 2001	85.04036
February 28, 2002	84.37814
May 31, 2002	83.70309
August 31, 2002	83.01496
November 30, 2002	82.31350
February 28, 2003	81.59844
May 31, 2003	80.86954
August 31, 2003	80.12651
November 30, 2003	79.36908
February 29, 2004	78.59698
May 31, 2004	77.80992
August 31, 2004	77.00761
November 30, 2004	76.18975
February 28, 2005	75.35605
May 31, 2005	74.50620
August 31, 2005	73.63988
November 30, 2005	72.75678
February 28, 2006	71.85656

<u>Casualty Loss</u> <u>Value Date</u>	<u>Casualty Loss</u> <u>Value *</u>
May 31, 2006	70.93891
August 31, 2006	70.00347
November 30, 2006	69.04991
February 28, 2007	68.07787
May 31, 2007	67.08701
August 31, 2007	66.07694
November 30, 2007	65.04730
February 29, 2008	63.99772
May 31, 2008	62.92780
August 31, 2008	61.83714
November 30, 2008	60.72536
February 28, 2009	59.59204
May 31, 2009	58.43676
August 31, 2009	57.25909
November 30, 2009	56.05861
February 28, 2010	54.83487
May 31, 2010	53.58742
August 31, 2010	52.31580
November 30, 2010	51.01954
February 28, 2011	49.69816
May 31, 2011	48.35119
August 31, 2011	46.97812
November 30, 2011	45.57844
February 29, 2012	44.15164
May 31, 2012	42.69721
August 31, 2012	41.21459
November 30, 2012	39.70324
February 28, 2013	38.16262
May 31, 2013	36.59214
August 31, 2013	34.99123
November 30, 2013	33.35931
February 28, 2014	31.69577
May 31, 2014	30.00000

* Expressed as a percentage of Acquisition Cost.

Annex C

Maximum Lessee and Lessor Risk Amounts

<u>Expiration Date</u>	<u>Maximum Lessee Risk Amount*</u>	<u>Maximum Lessor Risk Amount*</u>
May 31, 1995	87.47281	10.89383
May 31, 1996	85.98600	10.82495
May 31, 1997	84.38057	10.64259
May 31, 1998	82.64705	10.44569
May 31, 1999	80.77524	10.23307
May 31, 2000	78.75408	10.00350
May 31, 2001	76.57168	9.75560
May 31, 2002	74.21516	9.48793
May 31, 2003	71.67063	9.19890
May 31, 2004	68.92310	8.88682
May 31, 2005	65.95637	8.54983
May 31, 2006	62.75294	8.18596
May 31, 2007	59.29394	7.79307
May 31, 2008	55.55898	7.36882
May 31, 2009	51.52603	6.91073
May 31, 2010	47.17133	6.41609
May 31, 2011	42.46920	5.88198
May 31, 2012	37.39194	5.30527
May 31, 2013	31.90959	4.68254
May 31, 2014	25.98986	4.01014

* Expressed as a percentage of Acquisition Cost.

Annex D

Termination Value

<u>Expiration Date</u>	<u>Termination Value*</u>
May 31, 1994	102.00000
August 31, 1994	101.62762
November 30, 1994	101.24803
February 28, 1995	100.86108
May 31, 1995	100.46664
August 31, 1995	100.06455
November 30, 1995	99.65468
February 29, 1996	99.23686
May 31, 1996	98.81095
August 31, 1996	98.37678
November 30, 1996	97.93421
February 28, 1997	97.48305
May 31, 1997	97.02316
August 31, 1997	96.55436
November 30, 1997	96.07647
February 28, 1998	95.58932
May 31, 1998	95.09274
August 31, 1998	94.58654
November 30, 1998	94.07052
February 28, 1999	93.54451
May 31, 1999	93.00831
August 31, 1999	92.46172
November 30, 1999	91.90454
February 29, 2000	91.33656
May 31, 2000	90.75758
August 31, 2000	90.16738
November 30, 2000	89.56574
February 28, 2001	88.95245
May 31, 2001	88.32728
August 31, 2001	87.68999
November 30, 2001	87.04036
February 28, 2002	86.37814
May 31, 2002	85.70309
August 31, 2002	85.01496
November 30, 2002	84.31350
February 28, 2003	83.59844
May 31, 2003	82.86954
August 31, 2003	82.12651
November 30, 2003	81.36908
February 29, 2004	80.59698
May 31, 2004	79.80992
August 31, 2004	78.00761
November 30, 2004	77.18975
February 28, 2005	76.35605
May 31, 2005	75.50620
August 31, 2005	74.63988
November 30, 2005	73.75678

<u>Expiration Date</u>	<u>Termination Value*</u>
February 28, 2006	72.85656
May 31, 2006	71.93891
August 31, 2006	71.00347
November 30, 2006	70.04991
February 28, 2007	69.07787
May 31, 2007	68.08701
August 31, 2007	67.07694
November 30, 2007	66.04730
February 29, 2008	64.99772
May 31, 2008	63.92780
August 31, 2008	62.83714
November 30, 2008	61.72536
February 28, 2009	60.59204
May 31, 2009	59.43676
August 31, 2009	58.25909
November 30, 2009	57.05861
February 28, 2010	55.83487
May 31, 2010	54.58742
August 31, 2010	53.31580
November 30, 2010	52.01954
February 28, 2011	50.69816
May 31, 2011	49.35119
August 31, 2011	47.97812
November 30, 2011	46.57844
February 29, 2012	45.15164
May 31, 2012	43.69721
August 31, 2012	42.21459
November 30, 2012	40.70324
February 28, 2013	39.16262
May 31, 2013	37.59214
August 31, 2013	34.99123
November 30, 2013	33.35931
February 28, 2014	31.69577
May 31, 2014	30.00000

* Expressed as a percentage of Acquisition Cost.